

## LEGISLATIVE BILL 67

Approved by the Governor May 25, 1999

Introduced by Kristensen, 37

AN ACT relating to community colleges; to amend sections 85-1503, 85-1536, and 85-1536.01, Revised Statutes Supplement, 1998; to redefine a term; to change provisions relating to calculation and distribution of state aid; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 85-1503, Revised Statutes Supplement, 1998, is amended to read:

85-1503. For purposes of sections 85-1501 to 85-1540, unless the context otherwise requires:

(1) Community college shall mean an educational institution operating and offering programs pursuant to such sections;

(2) Community college area shall mean an area established by section 85-1504;

(3) Board shall mean the Community College Board of Governors for each community college area;

(4) Full-time equivalent student shall mean, in the aggregate, the equivalent of a registered student who in a twelve-month period is enrolled in (a) thirty semester credit hours or forty-five quarter credit hours of classroom, laboratory, clinical, practicum, or independent study course work or cooperative work experience or (b) nine hundred contact hours of classroom or laboratory course work for which credit hours are not offered or awarded. Avocational and recreational community service programs or courses shall not be included in determining full-time equivalent students or student enrollment;

(5) Contact hour shall mean an educational activity consisting of sixty minutes minus break time and required time to change classes;

(6) Credit hour shall mean the unit used to ascertain the educational value of course work offered by the institution to students enrolling for such course work, earned by such students upon successful completion of such course work, and for which tuition is charged. A credit hour may be offered and earned in any of several instructional delivery systems, including, but not limited to, classroom hours, laboratory hours, clinical hours, practicum hours, cooperative work experience, and independent study. A credit hour shall consist of a minimum of: (a) Ten quarter or fifteen semester classroom contact hours per term of enrollment; (b) twenty quarter or thirty semester academic transfer and academic support laboratory hours per term of enrollment; (c) thirty quarter or forty-five semester vocational laboratory hours per term of enrollment; (d) thirty quarter or forty-five semester clinical or practicum contact hours per term of enrollment; or (e) forty quarter or sixty semester cooperative work experience contact hours per term of enrollment. An institution may include in a credit hour more classroom, laboratory, clinical, practicum, or cooperative work experience hours than the minimum required in this subdivision. The institution shall publish in its catalog, or otherwise make known to the student in writing prior to the student enrolling or paying tuition for any courses, the number of credit or contact hours offered in each such course. Such published credit or contact hour offerings shall be used to determine whether a student is a full-time equivalent student pursuant to subdivision (4) of this section;

(7) Classroom hour shall mean a minimum of fifty minutes of formalized instruction on campus or off campus in which a qualified instructor applying any combination of instructional methods such as lecture, directed discussion, demonstration, or the presentation of audiovisual materials is responsible for providing an educational experience to students;

(8) Laboratory hour shall mean a minimum of fifty minutes of educational activity on campus or off campus in which students conduct experiments, perfect skills, or practice procedures under the direction of a qualified instructor;

(9) Clinical hour shall mean a minimum of fifty minutes of educational activity on campus or off campus during which the student is assigned practical experience under constant supervision at a health-related agency, receives individual instruction in the performance of a particular function, and is observed and critiqued in the repeat performance of such

function. Adjunct professional personnel, who may or may not be paid by the college, may be used for the directed supervision of students and for the delivery of part of the didactic phase of the experience;

(10) Practicum hour shall mean a minimum of fifty minutes of educational activity on campus or off campus during which the student is assigned practical experiences, receives individual instruction in the performance of a particular function, and is observed and critiqued by an instructor in the repeat performance of such function. Adjunct professional personnel, who may or may not be paid by the college, may be used for the directed supervision of the students;

(11) Cooperative work experience shall mean an internship or on-the-job training, designed to provide specialized skills and educational experiences, which is coordinated, supervised, observed, and evaluated by qualified college staff or faculty and may be completed on campus or off campus, depending on the nature of the arrangement;

(12) Independent study shall mean an arrangement between an instructor and student in which the instructor is responsible for assigning work activity or skill objectives to the student, personally providing needed instruction, assessing the student's progress, and assigning a final grade. Credit hours shall be assigned according to the practice of assigning credits in similar courses;

(13) Full-time equivalent student enrollment total shall mean the total of full-time equivalent students enrolled in a community college in any fiscal year;

(14) General academic transfer course shall mean a course offering in a one-year or two-year degree-credit program, at the associate degree level or below, intended by the offering institution for transfer into a baccalaureate program. The completion of the specified courses in a general academic transfer program may include the award of a formal degree;

(15) Applied technology or occupational course shall mean a course offering in an instructional program, at the associate degree level or below, intended to prepare individuals for immediate entry into a specific occupation or career. The primary intent of the institutions offering an applied technology or occupational program shall be that such program is for immediate job entry. The completion of the specified courses in an applied technology or occupational program may include the award of a formal degree, diploma, or certificate;

(16) Academic support course shall mean a general education academic course offering which may be necessary to support an applied technology or occupational program;

(17) Class 1 course shall mean an applied technology or occupational course offering which requires the use of equipment, facilities, or instructional methods easily adaptable for use in a general academic transfer program classroom or laboratory;

(18) Class 2 course shall mean an applied technology or occupational course offering which requires the use of specialized equipment, facilities, or instructional methods not easily adaptable for use in a general academic transfer program classroom or laboratory;

(19) Reported aid equivalent student shall mean a full-time equivalent student subject to the following limitations:

(a) The number of credit hours which can be counted for each student per semester or quarter shall be limited to eighteen credit hours;

(b) For students enrolled for more than eighteen credit hours, credit hours for each course shall be prorated as the eighteen-credit-hour limit is to the student's total credit hours for the semester or quarter;

(c) The credit-hour limit for a special instructional term shall be prorated on the same ratio that a fifteen-week term is to eighteen semester credit hours or a ten-week term is to eighteen quarter credit hours; and

(d) The number of credit and contact hours which shall be counted by any community college area in which a tribally controlled community college is located shall include credit and contact hours awarded by such tribally controlled community college to students for which such institution received no federal reimbursement pursuant to the Tribally Controlled Community College Assistance Act, Public Law 95-471 as reauthorized by Public Law 99-428;

(20) Reported aid equivalent total shall mean the total of all reported aid equivalents accumulated in a community college area in any fiscal year;

(21) Reimbursable educational unit shall mean a reported aid equivalent student multiplied by (a) for a general academic transfer course or an academic support course, a factor of one, (b) for a Class 1 course, a factor of one and fifty-hundredths, (c) for a Class 2 course, a factor of one and eight-tenths for fiscal year 1995-96 and for the three-year averages, a

factor of one and nine-tenths for fiscal year 1996-97 and for the three-year averages, and a factor of two for fiscal year 1997-98 and each fiscal year thereafter and for the three-year averages, (d) for a tribally controlled community college general academic transfer course or academic support course, a factor of two, (e) for a tribally controlled community college Class 1 course, a factor of three, and (f) for a tribally controlled community college Class 2 course, a factor of three and six-tenths for fiscal year 1995-96 and for the three-year averages, a factor of three and eight-tenths for fiscal year 1996-97 and for the three-year averages, and a factor of four for fiscal year 1997-98 and each fiscal year thereafter and for the three-year averages;

(22) Reimbursable educational unit total shall mean the total of all reimbursable educational units accumulated in a community college area in any fiscal year;

(23) Special instructional term shall mean any term which is less than fifteen weeks for community colleges using semesters or ten weeks for community colleges using quarters;

(24) Tribally controlled community college shall mean an educational institution operating and offering programs pursuant to the Tribally Controlled Community College Assistance Act, Public Law 95-471 as reauthorized by Public Law 99-428; and

(25) Tribally controlled community college state aid amount shall mean the quotient of the amount of state aid to be distributed pursuant to sections 85-1536 and 85-1537 for the current fiscal year to a community college area in which a tribally controlled community college is located divided by the average of the reimbursable educational unit totals for such community college area for the immediately preceding three fiscal years, with such quotient then multiplied by the average reimbursable educational units derived pursuant to subdivision (19)(d) of this section for the immediately preceding three fiscal years.

Sec. 2. Section 85-1536, Revised Statutes Supplement, 1998, is amended to read:

85-1536. (1) The Legislature, in an effort to promote quality postsecondary education and to avoid excessive and disproportionate taxation upon the taxable property of each community college area, may appropriate each biennium from such funds as may be available an amount for aid and assistance to the community colleges. The Legislature recognizes that education, as an investment in human resources, is fundamental to the quality of life and the economic prosperity of Nebraskans and that aid to the community colleges furthers these goals. It is the intent of the Legislature that such appropriations, in particular equalization aid provided in this section and section 85-1536.01, reflect the commitment of the Legislature to join with local governing bodies in a strong and continuing partnership to further advance the quality, responsiveness, access, and equity of Nebraska's community colleges and to foster high standards of performance and service so that every citizen, community, and business will have the opportunity to receive quality educational programs and services regardless of the size, wealth, or geographic location of the community college area or tribally controlled community college by which that citizen, community, or business is served. Such funds so appropriated by the Legislature shall be allocated, adjusted, and distributed to the boards by the Department of Administrative Services as follows:

(a) Fifty-two percent of such funds appropriated by the Legislature for each fiscal year shall be allocated to the community college areas as follows:

(i) ~~For fiscal year 1996-97, in the same proportion as the first one thousand seven hundred fifty seventy-five audited reimbursable educational units or portion thereof of the three-year average for each community college area, calculated by taking the average of the audited reimbursable educational units for the three most recently completed fiscal years, is to the first one thousand seven hundred fifty seventy-five audited reimbursable educational units or portion thereof of the three-year average of all community college areas combined for such fiscal year; and~~

~~(ii) For fiscal year 1997-98 and each fiscal year thereafter, in the same proportion as the first one thousand seven hundred seventy-five audited reimbursable educational units or portion thereof of the three-year average for each community college area, calculated as provided in subdivision (a)(i) of this subsection, is to the first one thousand seven hundred seventy-five audited reimbursable educational units or portion thereof of the three-year average of all community college areas combined for such fiscal year;~~

(b) Thirty-eight percent of such funds for each fiscal year shall be distributed to the community college areas as follows:

~~(i) For fiscal year 1996-97, in the same proportion as the~~

three-year average of all audited reimbursable educational units in excess of one thousand nine hundred ~~fifty~~ seventy-five for each community college area, calculated by taking the average of the audited reimbursable educational units for the three most recently completed fiscal years, is to the audited reimbursable educational units in excess of one thousand nine hundred ~~fifty~~ seventy-five for all community college areas, calculated by taking such average, combined for such fiscal year; and

~~(ii) For fiscal year 1997-98 and each fiscal year thereafter, in the same proportion as the three-year average of all audited reimbursable educational units in excess of one thousand nine hundred ~~seventy-five~~ for each community college area, calculated as provided in subdivision (b)(i) of this subsection, is to the audited reimbursable educational units in excess of one thousand nine hundred ~~seventy-five~~ for all community college areas, calculated by taking such average, combined for such fiscal year; and~~

(c) The balance of such funds for each fiscal year shall be distributed pursuant to section 85-1536.01. Funding for tribally controlled community colleges shall be calculated on the total amount of funds available pursuant to this section and section 85-1537.

(2) The Department of Administrative Services shall distribute the total of such appropriated and allocated funds from subdivisions (1)(a) and (b) of this section to the boards in ten as nearly as possible equal monthly payments between the fifth and twentieth day of each month beginning in September of each year.

(3) The Department of Administrative Services shall reduce the amount of the distribution to a board by the amount of funds used by the community college area to provide a program or capital construction project as such term is defined in section 85-1402 which has not been approved or has been disapproved by the Coordinating Commission for Postsecondary Education pursuant to the Coordinating Commission for Postsecondary Education Act.

Sec. 3. Section 85-1536.01, Revised Statutes Supplement, 1998, is amended to read:

85-1536.01. (1) The Community College Property Tax Relief and Equalization Program is created. The Legislature recognizes the need for a state and local partnership for the funding of community colleges. The Legislature also understands that some community college areas have a better ability than other areas to raise revenue through property taxes because of larger and growing valuation bases.

(2) It is the intent of the Legislature to appropriate funds beginning with fiscal year 1998-99 to provide property tax relief to those areas that (a) have levied the maximum allowable property tax levy as described in subsection (1) of section 85-1517 and cannot generate forty percent of their operating revenue or (b) do not receive forty percent of their operating revenue from state aid pursuant to subdivisions (1)(a) and (b) of section 85-1536 and levy the maximum allowable property tax levy as described in subsection (1) of section 85-1517 or the greater of a minimum levy of six and three-tenths cents per one hundred dollars of valuation for fiscal year 1998-99 and fiscal year 1999-00 and five and three-tenths cents per one hundred dollars of valuation for fiscal year 2000-01 and all subsequent fiscal years or a levy that raises forty percent of its operating revenue.

(3) Each eligible community college area which qualifies pursuant to subdivision (2)(a) of this section shall receive funds equal to the difference between the property tax revenue raised and forty percent of its operating revenue. Each eligible community college area which qualifies pursuant to subdivision (2)(b) of this section shall receive funds equal to the difference between state aid pursuant to subdivisions (1)(a) and (b) of section 85-1536 and forty percent of its operating revenue, and any community college area which raises in excess of forty percent of its operating revenue from property tax shall have such excess serve as an offset to payments received from this program. Any community college area which qualifies under both subdivisions (2)(a) and (b) of this section shall receive funds as calculated for both subdivisions. The base year for calculating forty percent of operating revenue shall be fiscal year 1997-98, with future adjustments reflecting increases equal to two percent plus the percentage increase, if any, in full-time equivalent students eligible for state aid from the second year to the first year preceding the year for which the aid is being determined.

Any community college area which had an operational property tax levy that was one hundred thirty-five percent or more of the statewide average operational community college property tax levy for fiscal year 1997-98 shall, for purposes of state aid distribution beginning in fiscal year 1999-00 and for each fiscal year thereafter, have added to its fiscal year 1997-98 base year revenue three-fourths of its unused budget authority as established under

section 13-521 for fiscal year 1998-99. Each community college area shall submit its levy and valuation certification to the Department of Administrative Services by September 20 each year. After verifying valuations and general fund revenue amounts established from FTE-REU audits, which general fund revenue amounts are derived from the uniform budget form, the department shall distribute funds to those community college areas that have qualified for property tax relief and equalization. If the Legislature fails to appropriate adequate funds for the program, the funds appropriated shall be apportioned on a pro rata basis to the areas that qualify.

(4) The department shall distribute the total of such appropriated and allocated funds to the boards in nine as nearly as possible equal monthly payments between the fifth and twentieth day of each month beginning in October of each year.

Sec. 4. Original sections 85-1503, 85-1536, and 85-1536.01, Revised Statutes Supplement, 1998, are repealed.